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INFO RUEHDS/AMEMBASSY ADDIS ABABA PRIORITY 1626
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SUBJECT: DESA, UNCTAD AND REGIONAL ECONOMIC COMMISSIONS

RESTRUCTURING PROPOSAL

- 11. (U) This is an action request. See paragraph 7.
- 12. (U) SUMMARY: USMISSION Geneva recently raised concerns about a proposal they have heard is part of the larger effort by the Secretary General (SYG) to restructure DESA, UNCTAD and the regional economic commissions. The restructuring proposal, which is being managed by Deputy Secretary General Asha-Rose Migiro, purportedly provides for a new \$26M development fund that would be divided among DESA, UNCTAD and the regional economic commissions. It is understood that the establishment of the new fund is prompted by a desire of the SYG to demonstrate an even handed approach to reform in light of the additional resources the SYG obtained for DPKO under his proposal to restructure that Department and is seeking in connection with his proposal to restructure DPA. END SUMMARY

UNCTAD Proposal

13. (U) According to USMISSION Geneva, UNCTAD was requested by the UN Secretariat to indicate how it would use the amount purportedly being proposed for UNCTAD (approximately \$3.6M). Apparently, UNCTAD is proposing to direct the additional funds to further research efforts in three areas - 1). LDCS and Africa 2.) South-South cooperation and 3.) environment and climate change.

USMISSION Geneva Reaction

14. (U) USMISSION Geneva believes the UNCTAD proposal is inconsistent with reform efforts they have pursued within UNCTAD. Moreover, USMISSION Geneva had heard that the SYG's proposal regarding such a fund was to be submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on February 25th and was concerned that the ACABQ would act on the proposal within a day or so. USMISSION Geneva sought assistance from USUN/NY to prevent a hasty decision going the wrong way in the ACABQ.

USUN/NY Update

15. (U) In response to a request for assistance from USMISSION Geneva, USUN/NY/MR provided the following information. The overall DESA, UNCTAD and regional economic commissions restructuring proposal is scheduled to be considered in the March resumed budget session of the Fifth Committee. The report from the SYG that would contain the proposal has not been submitted yet by the SYG to Member States. USUN/NY/MR is informed that the report may be submitted to the ACABQ by the end of next week (Feb. 29). USUN/NY/MR believes this

submmission may slip to mid-March. Once the report is submitted, the ACABQ will likely take considerable time to review it before it is taken up by the Fifth Committee. Once the ACABQ receives the SYG's proposal, USUN/NY will consult with members of the ACABQ. We will share information regarding developments.

16. (U) We believe the restructuring proposal/debate gives us an opportunity to delve deeper into the manner in which DESA, UNCTAD and the economic commissions operate and address redundant, overlapping or ineffective activities.

Action Request

17. (U) USUN/NY requests that the Department ask USMISSION Geneva and other offices concerned with the activities of DESA, UNCTAD and the regional commissions to seek further information on the SYG's proposal. In seeking such information, however, it should be understood that we cannot support any proposal unless we see it in its entirety in writing and have the opportunity to develop a USG position.

KHALILZAD